

**BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS**

In the Matter of the Investigation into Kansas )  
Gas Service Company, a Division of One Gas )  
Inc. Regarding the February 2021 Winter ) Docket No. 21-KGSG-332-GIG  
Weather Events, as Contemplated by Docket )  
No. 21-GIMX-303-MIS. )

**RESPONSE OF THE NGTCC TO KANSAS GAS SERVICE, A DIVISION OF ONE GAS,  
INC., AND COMMISSION STAFF'S RESPONSES TO CURB, BLUEMARK,  
WOODRIVER, AND BONAVIA**

COMES NOW, the Natural Gas Transportation Customer Coalition (“NGTCC” or “Coalition”) and respectfully responds<sup>1</sup> to the Response of Kansas Gas Service, a Division of ONE Gas, Inc., and the Staff of the State Corporation Commission of the State of Kansas (“Staff” and “Commission,” respectively). In support thereof, NGTCC states the following to the Commission:

**I. Condensed Background**

1. Kansas Gas Service, a Division of ONE Gas, Inc. (“KGS”) has requested to waive (“Waiver”) the multiplier portion of a formula used to calculate penalties when Operational Flow Orders (“OFO”) or Periods of Curtailment (“POC”) are in effect.<sup>2</sup> Certain Parties (i.e., natural gas marketers) generally support KGS’s Waiver.<sup>3</sup> The Parties disagree as to whether KGS’s Waiver should be considered on a stand-alone basis or integrated in KGS’s forthcoming comprehensive cost mitigation plan.

2. The NGTCC asserts good cause exists for the Commission to withhold deciding KGS’s request for Waiver, so ongoing investigations may continue, relevant discovery and

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<sup>1</sup> NGTCC filed its Petition to Intervene on June 9, 2021. No party has objected to the intervention of NGTCC in this docket. NGTCC respectfully requests that the Commission accept this response.

<sup>2</sup> Kansas Gas Service Motion for Limited Waiver (May 28, 2021).

<sup>3</sup> BlueMark Energy, LLC Answer to Motion for Limited Waiver, ¶10 (Jun. 7, 2021); Bonavia Properties, L.L.C.’s Objection and Response to Kansas Gas Services Company’s Motion for Limited Waiver, ¶6 (Jun. 9, 2021); and WoodRiver Energy, LLC Answer to Motion for Limited Waiver Answer, ¶10 (Jun. 7, 2021); Response of Commission Staff to KGS’ Motion for Limited Waiver and The Responses to That Motion Filed by CURB, BlueMark, WoodRiver, And Bonavia, ¶63 (Jun. 23, 2021).

evidence obtained, and critical issues of lawful pricing determined by state and federal courts. The NGTCC supports the concerns raised by Bonavia Properties, LLC (“Bonavia”), and supports Commission Staff’s request to develop a procedural schedule in the instant matter.

## **II. Introduction and Summary**

3. The Request for Waiver (“Waiver”) of Kansas Gas Service (“KGS”) requires further extensive study and analysis, and therefore, a Procedural Schedule should be ordered by the Commission which includes reasonable time periods for relevant discovery, and hearings as the Commission may deem appropriate, for several important reasons.

### **A. Legality of Prices and Charges Includable in the Waiver.**

4. The legality of the prices to be charged – which are the prices contained in S&P Gas Daily, and referred to as daily Index Prices for Southern Star Pipeline (“Index Prices”) – are or will be the subject of litigation in both the state and federal district court and federal and state investigations.<sup>4</sup> Further, the Commission is cooperating with the investigation of the Office of the Attorney General of Kansas.<sup>5</sup>

To assist the AG in performing its duties under K.S.A. 75-702 and K.S.A. 75-708, the Commission is revising its Protective and Discovery Order to allow the AG to review any and all discovery produced in this Docket.<sup>6</sup>

Both the Governor of Kansas and the Commissioners petitioned the Federal Energy Regulatory Commission<sup>7</sup> to conduct a thorough investigation of the pricing and performance of

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<sup>4</sup> See City of Mulberry, Kansas, et al. v. BP Energy Company, CRP-2021-CV-000031 (2021) (Removed to Federal District Court; Remand Motion Pending); BlueMark Energy, LLC v. Kansas State University, RL-2021-CV-000075 (2021); BlueMark Energy, LLC v. University of Kansas School of Medicine, et al., Douglas County District Court 2021-CV-000183 (2021).

<sup>5</sup> See Supplemental Protective and Discovery Order, Docket No. 21-GIMX-303-MIS, ¶6 (Jun. 3, 2021) (Attachment A); See Supplemental Protective and Discovery Order, Docket No. 21-KGSG-332-GIG, ¶6 (Jun. 10, 2021) (Attachment B).

<sup>6</sup> See *id.*

<sup>7</sup> See Letter from Governor Kelly and Commissioners to Federal Energy Regulatory Commission (Attachment C); See also Congressional Letter (Attachment D); State of Disaster Emergency Proclamation, Governor Laura Kelly Dated February 14, 2021(Attachment E).

both the electric and natural gas markets during the extreme winter weather events of February 2021. It would be reasonable for the Commission to defer action on the Waiver until the described litigation and investigations are complete.

**B. The Commission has limited statutory authority, which does not include the statutory authority to determine whether or not a natural gas contract price is lawful under applicable law.**

5. The authority of the Commission is limited to that conferred by statute.<sup>8</sup> The Commission has limited jurisdiction conferred by statute.<sup>9</sup> The Waiver includes prices determined by the terms and conditions of private contracts between KGS with its suppliers, which include references to Index Price terms as well as several pages of applicable terms and conditions – all of which will receive fact examination as to compliance therewith, as well as overarching application of Kansas law with respect to prices that may lawfully be charged. “The State Corporation Commission provides no forum for litigation of purely private rights and liabilities.”<sup>10</sup>

**C. The Waiver includes charges for the KGS prescribed Required Daily Quantity (“RDQ”) that are the antithesis of conservation policies of both the Governor and the Commission, and in fact financially penalizes those transportation customers that conserved natural gas.**

6. The RDQ requires the generally smaller customers without an electronic flow meter (“EFM”) to supply each day a volume assigned by KGS, during a period when Operational Flow Orders (“OFO”) and Periods of Curtailment (“POC”) were in force – whether or not such customers conserve and reduce their natural gas usage below the RDQ. Essentially,

- (a) the Governor and the Commission requested on numerous occasions that transport customers conserve natural gas usage;
- (b) many transport customers did so, often at great sacrifice;

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<sup>8</sup> Northwest Cent. Pipeline Corp. v. State Corp. Comm’n, 237 Kan. 248 (1985).

<sup>9</sup> Cities Service Gas Co. v. State Corp. Comm’n, 197 Kan. 338 (1966).

<sup>10</sup> See *id.*

- (c) but the KGS-RDQ ignores the reality of conservation by imposition of a presumed higher usage;
- (d) causing transport customers to incur unneeded natural gas supply costs that ranged up to \$622.78 per MMBtu; and
- (e) permits KGS to “cash out” and acquire such supply of transport customers at a price of \$2.54 per MMBtu.

Also, it must be noted that public and private schools were closed during the Presidents’ Holiday period of February 13 – 15, 2021 – a form of forced conservation – and many businesses were required to and did in fact reduce natural gas usage pursuant to the POC.

**D. The KGS – OFO and POC extended from February 11 to February 23, 2021, a period of 13 days - - a period far longer than Southern Star Pipeline, Black Hills Energy, or Atmos Energy.**

7. The extended length of the KGS – OFO and POC, caused daily supply obligations and requirements for transport customers to acquire high price natural gas supplies, for a period that in some instances was more than twice as long as customers on other natural gas transportation and distribution systems:

- (i) Southern Star – Feb. 11 to Feb. 19 (storage withdrawal and confirmed supply and delivery restrictions) (penalties waived);
- (ii) Black Hills Energy – To be supplemented via slip pleading upon confirmation
- (iii) Atmos Energy – no daily balancing days; and
- (iv) KGS – Feb. 11 to Feb. 23.

**E. The operation of the KGS – RDQ in effect caused transportation customers to not only be penalized for conservation, but also to subsidize, both those transportation and sales customers that did not conserve.**

8. All system customers of KGS received the benefit of conserving transport customers who were required to provide natural gas supply to the system that they did not use. The

Kansas Supreme Court has barred the application of public utility penalty provisions in a generally similar situation, finding it to be an “irrational application of the . . . penalty system . . . discriminatory and unfair.”<sup>11</sup>

### **III. The Commission Cannot Determine Whether Natural Gas Costs are Legal**

9. Regardless of whether a Waiver is granted, there remain legal issues in the Docket that the Commission cannot resolve, because it does not have the statutory power to do so. Separately, the Commission should elect to defer action on these issues of legality of natural gas pricing to those judicial and investigatory forums that (a) have far more extensive power to compel true and correct testimony by subpoena and statutory power of investigation, and (b) have far more extensive and expansive powers to fashion remedies for unlawful conduct that range from fines and penalties, to damages, injunctions against future unlawful conduct, and declaratory judgments on issues of law.

10. Even though the requested KGS Waiver results in the elimination of the “multiplier provision” therein, the remaining provisions of the KGS tariff permit the Company to charge and collect amounts based on price postings contained in the S&P Gas Daily Index (“Index Prices”). The prices set forth in the Index for the period February 10 – February 18, 2021, are or will be (a) subject to direct challenge in pending litigation,<sup>12</sup> and are (b) also the subject of the investigations at the Federal Energy Regulatory Commission (“FERC”) at the urging of the Governor of the State of Kansas and the Commissioners,<sup>13</sup> (c) as well as an ongoing investigation by the highest-ranking law enforcement office in our state – the Office of Attorney General in Kansas.<sup>14</sup> In recent orders (including an Order in this Docket), the Commission referenced the ongoing investigation of the

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<sup>11</sup> See *Jones v. Kansas Gas & Electric Co.*, 222 Kan. 390, 401 – 402 (1977).

<sup>12</sup> *Supra* note 4.

<sup>13</sup> *Supra* note 7.

<sup>14</sup> *Supra* note 6.

Office of the Attorney General of Kansas and made all discovery in this docket available to that office.

11. While the Commission has the statutory authority to establish rates that are just and reasonable, the Commission lacks statutory authority to determine if underlying costs – such as contract prices – are lawful. In this case, the Commission lacks the statutory authority to determine if Index Prices are lawful or if, instead, those prices are unconscionable, amount to price gouging, or are profiteering. Even if the Commission were to determine that such Index Prices were unlawful, the Commission has no statutory power to address and provide remedies for breach of contract issues, for either KGS or gas transport customers which may have such Index Price references in their private contracts with marketers/resellers.

#### **IV. Tariff Provisions Regarding Required Daily Quantities Were Superseded**

12. The Parties have presented significant concerns over KGS's Required Daily Quantity ("RDQ") and how it operated in February 2021. KGS's tariffs require transportation customers who do not use special metering equipment supply (i.e., EFM – electronic flow measurement), to instead have KGS supply a RDQ for natural gas supply during periods of OFO or POC. Because the customer's daily usage cannot be determined precisely because of the absence of an EFM, KGS's tariff presumes the KGS assigned RDQ is the customer's actual usage. This conclusion is unreasonable and the application of the RDQ in the period of February 11 through February 23, 2021 was superseded by both Commission Orders and the stated public policy of Governor Kelly.

13. Essentially the RDQ acts to penalize natural gas conservation during times of supply disruption and scarcity, by presuming high usage during times that the Commissioners and

the Governor have enunciated state policy, with a focus to reduce usage through conservation measures.

14. Leading up to and throughout Winter Storm Uri, Governor Kelly, the Commission, and KGS made public appeals to conserve energy.<sup>15</sup> KGS's customers, including transportation customers, responded to these pleas.

15. The Salina Innovation Foundation ("SIF"), an NGTCC member, set its boiler to its lowest possible setting and eventually shut its boiler off in February 2021. The ultimate result was SIF used *20% less natural gas than its contracted amount for the entire month of February*.<sup>16</sup> KGS's RDQ provisions presume the SIF did not curtail usage at all. The emergency declaration issued by Kansas' Governor Kelly, combined with the Commission's Emergency Order and public appeals for conservation, override KGS's RDQ provisions. Anything else runs contrary to public policy.

16. The assumption of an RDQ for transportation customers without an EFM, is both presumed and locked-in by tariff. The KGS tariff and RDQ provisions have no incentive to conserve whatsoever during an OFO, POC, or emergency, and in fact transportation customers are penalized for conservation efforts advocated by the Governor and the Commission. By

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<sup>15</sup> Governor Laura Kelly urged for Kansans to do their part to conserve to "ensure a continued supply of natural gas and electricity throughout the state." Governor Laura Kelly Urges Kansans to do Their Part, Continue to Conserve Energy, Governor.Kansas.Gov (Feb. 16, 2021), *available at* <https://governor.kansas.gov/governor-laura-kelly-urges-kansans-to-do-their-part-continue-to-conserve-energy/> (last visited Jun. 28, 2021); The Chairperson of the Commission, noted the high prices customer could face and urged conservation of natural gas. KCC Chairperson Discusses Temporary Rolling Blackouts, Requests Energy Conservation, KCTV5.com, (Feb. 15, 2021), *available at* [https://www.kctv5.com/news/local\\_news/kcc-chairperson-discusses-temporary-rolling-blackouts-requests-energy-conservation/article\\_af831bf2-6fe9-11eb-9338-87c8a57535c1.html](https://www.kctv5.com/news/local_news/kcc-chairperson-discusses-temporary-rolling-blackouts-requests-energy-conservation/article_af831bf2-6fe9-11eb-9338-87c8a57535c1.html) (last visited Jun. 28, 2021); KGS issued press releases and issued a video FAQ from a managing vice president. Kansas Gas Service Encourages Customers to Conserve Energy During Extended Cold Weather, KGS.com (Feb. 13, 2021), *available at* <https://www.kansasgasservice.com/blog/2021/kgs/kgs-energy-conservation> (last visited Jun. 28, 2021).

<sup>16</sup> See Affidavit of Mary Landes, Executive Director, The Temple (a/k/a Salina Innovation Foundation) and corresponding Invoice of BlueMark Energy, LLC for February 2021 (Attachment F).

Commission Order and state policy, the RDQ must be viewed as superseded or suspended, so that its operation is not antithetical to state policy.

17. Importantly, the KGS tariff does not detail how a customer's RDQ is calculated. The KGS tariff simply indicates a customer will be assigned an RDQ and notified of this assignment of Required Daily Quantity. The tariff does not describe the formula or methodology for calculating the customer's RDQ. Customers are provided no notice regarding how their RDQ will be established, and customers have no ability to determine whether the means used to calculate the RDQ are reasonable. A tariff that delegates to KGS the sole authority to set an RDQ, without any formula or method set out in tariff for calculating the RDQ volume, is unjust and unreasonable and an unlawful delegation of authority that acts to bring into issue the lawful operation of this tariff provision.

18. The operation of the RDQ, and its penalty for those that seek to adhere to Commission and state policy by conserving natural gas during an extreme weather crisis, can be seen through the experiences of the SIF (Attachment F). At the urging of state officials and in an all-out effort to reduce costs for its not-for-profit foundation, through extreme sacrifice and conservation, SIF was able to reduce its February 2021 contract usage (which approximates historical usage) by 20% - from 624 MMBtu to 493 MMBtu.

19. SIF turned the building's boiler down to its lowest setting on February 10, and turned the boiler off entirely on February 23, 2021 for the remainder of the month. Ice accumulated throughout the building, and SIF used electric space heaters in an effort to keep the building's water pipes from bursting.

20. Despite the extraordinary conservation efforts of the SIF, its marketer/reseller supplied the RDQ of 24.74 MMBtu supplies to KGS – as required by the KGS Tariff – and

allegedly acquired natural gas to meet the RDQ at S&P Gas Daily Index Prices, that ranged up to \$329/MMBtu and \$622/MMBtu. Because of its extraordinary conservation efforts, SIF did not need to use this high-priced gas supply.

21. **The KGS – RDQ for SIF was 24.74 MMBtu per day, and on average SIF actually used 17.60 MMBtu per day. The required RDQ volumes during the OFO and POC increased the SIF invoice for February 2021, from a contract volume price of under \$3.00 per MMBtu, and a cost of \$1,510.99, to a February 2021 natural gas cost of \$42,578.66 – all during a time of extraordinary conservation measures that reduced February 2021 natural gas usage by 20%. The supplier of SIF acquired natural gas to meet the requirements of the KGS-RDQ in the amount of \$37,641.80.**

#### **V. Common Concerns Between Sales and Transportation Customers**

22. Staff's concerns regarding Cash Out Prices are relevant to both KGS's sales and transportation customers. Staff highlights how the operation of cash-out provisions may not provide adequate compensation. The price paid for natural gas on any given day may differ from the month's average used to calculate the Cash Out Price. Staff argues this can result in KGS's sales customers bearing costs incurred by KGS's transportation customers. However, the opposite is also true.

23. If a transportation customer supplies more gas than it consumes, as was the case for SIF, KGS's transportation customers bear the costs incurred by KGS's sales customers. As indicated above, SIF effectively shuttered natural gas consumption when natural gas prices were the most extreme. The natural gas delivered by the marketer/reseller of SIF could not have, and was not consumed by SIF. During the OFO and POC, SIF essentially provided natural gas to the KGS system that allegedly had an acquisition cost of \$329 - \$622 per MMBtu, and SIF was paid

for its positive supply imbalance at a cash out balance price of \$2.47 per MMBtu.<sup>17</sup> This result is a grossly inequitable outcome that is contrary to Kansas state conservation policy as set by the Governor and the Commission during the extreme weather disaster of February 2021.

## **VI. Conclusion**

24. The issues articulated by NGTCC herein, as further listed by Commission Staff, demonstrate a procedural schedule should be ordered to address and resolve these issues. To name a few, there remain at this juncture of the Docket, several outstanding questions of: (1) whether the price of natural gas charged in February 2021 was lawful, and when a lawful cost can be recovered from customers of KGS, (2) whether the KGS tariff RDQ provisions were superseded by Commission Order and state policy, (3) whether the RDQ provision of the KGS tariff, in operation and as applied to transportation customers, is unjust and unreasonable, and (4) whether sales and transportation customers are subsidizing one or the other based on the operation of the RDQ, the cash out provisions of the KGS tariff, and the policy of the Governor and the Commission that requested conservation measures be implemented during the disaster. Based on the foregoing, the Commission should reasonably withhold a decision on the KGS Waiver and establish a procedural schedule that fully evaluates these issues.

WHEREFORE, the NGTCC respectfully requests the Commission: (1) withhold decision on KGS's pending Waiver, (2) establish a procedural schedule to fully evaluate costs incurred by KGS as a result of Winter Storm Uri, including KGS's pending Waiver and comprehensive cost-mitigation plan, and (3) for any other and further relief the Commission deems just and reasonable.

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<sup>17</sup> For reference, please refer to Attachment G, which includes copies of the Commission's Emergency Order of February 15, 2021, corresponding press release, and transcript of proceedings from the Missouri Public Service Commission describing the pricing practices of S&P Platts Gas Daily.

Respectfully submitted,

/s/ James P. Zakoura

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**VERIFICATION**

STATE OF KANSAS            )  
  ) ss:  
COUNTY OF JOHNSON        )

James P. Zakoura, being duly sworn upon his oath, deposes and states that he is the Attorney for the Natural Gas Transportation Customer Coalition, that he has read and is familiar with the foregoing *Response of the NGTCC to Kansas Gas Service, a Division of One Gas, Inc., and Commission Staff's Responses to CURB, BlueMark, Woodriver, and Bonavia*, and that the statements therein are true to the best of his knowledge, information, and belief.

  
James P. Zakoura

SUBSCRIBED AND SWORN to before me this 29th day of June, 2021.

  
Notary Public

My Appointment Expires:



## **CERTIFICATE OF SERVICE**

I hereby certify that on this 29th day of June, 2021, the foregoing *Response of the NGTCC to Kansas Gas Service, a Division of One Gas, Inc., and Commission Staff's Responses to CURB, BlueMark, Woodriver, and Bonavia* was electronically filed with the Kansas Corporation Commission and that one copy was delivered electronically to all parties on the service list as follows:

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**THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS**

Before Commissioners:                      Andrew J. French, Chairperson  
   Dwight D. Keen  
   Susan K. Duffy

In the Matter of Record Natural Gas Prices and    )  
Potential System Reliability Issues from        ) Docket No. 21-GIMX-303-MIS  
Unprecedented and sustained Cold Weather.        )

**SUPPLEMENTAL PROTECTIVE AND DISCOVERY ORDER**

This matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and decision. Having reviewed the pleadings and record, the Commission makes the following findings:

1.       On February 14, 2021, Governor Kelly issued a State of Disaster Emergency due to wind chill warnings and stress on utility and natural gas providers, noting that the current sub-zero temperatures were causing increased energy demand and natural gas supply constraints throughout Kansas, and utilities were currently experiencing wholesale natural gas price increase from 10 to 100 times higher than normal (the 2021 Winter Weather Event or Winter Storm Uri). Those costs may eventually flow through to consumers through increases in monthly natural gas and electric bills. Additionally, Kansas utilities are facing potential reliability issues related to the prolonged arctic temperatures.

2.       K.S.A. 77-536(a) provides State agencies with the authority to act when there is “an immediate danger to the public health, safety or welfare requiring immediate state agency action.” On February 15, 2021, pursuant to K.S.A. 77-536(a), the Commission issued an Emergency Order directing all jurisdictional natural gas and electric utilities to coordinate efforts and take all reasonably feasible, lawful, and appropriate actions to ensure adequate transportation

of natural gas and electricity to interconnected, non-jurisdictional Kansas utilities.<sup>1</sup> Jurisdictional natural gas and electric utilities were ordered to do everything necessary to ensure natural gas and electricity service continued to be provided to their customers in Kansas.<sup>2</sup>

3. The Commission's Emergency Order also authorized every jurisdictional electric and natural gas distribution utility that incurs extraordinary costs associated with ensuring that their customers or the customers of interconnected Kansas utilities that are non-jurisdictional to the Commission continue to receive utility service during this unprecedented cold weather event to defer those costs to a regulatory asset account.<sup>3</sup> All deferred costs shall be segregated by detailed cost category and shall contain enough detail for the Commission to perform a subsequent review for prudence and reasonableness.<sup>4</sup> This deferral is for accounting purposes only.<sup>5</sup>

4. The Commission's Emergency Order also directed each jurisdictional utility to file a compliance report in this Docket detailing the extent of such costs incurred, and present a plan to minimize the financial impacts of this event on ratepayers over a reasonable time frame, once Winter Storm Uri ends.<sup>6</sup>

5. On March 1, 2021, the Citizens' Utility Ratepayer Board (CURB) filed its Petition to Intervene and Motion for Protective Order and Discovery Order, explaining the rates charged to and services received by residential and small commercial ratepayers, whose interests

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<sup>1</sup> Emergency Order, Feb. 15, 2021, ¶ 3.

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*, ¶ 4.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

<sup>6</sup> *Id.*, ¶ 5.

CURB represents, may be substantially affected by the Commission's Emergency Order.<sup>7</sup> CURB also sought a protective and discovery order to handle confidential information.<sup>8</sup>

6. On March 9, 2021, the Commission issued Order Adopting Staff's Report and Recommendation to Open Company-Specific Investigations; Order on Petitions to Intervene of Bluemark Energy, LLC and CURB; Protective and Discovery Order. Subsequently, the Commission learned that the Office of the Kansas Attorney General (AG), among other entities, is also investigating Winter Storm Uri. To assist the AG in performing its duties under K.S.A. 75-702 and K.S.A. 75-708, the Commission is revising its Protective and Discovery Order to allow the AG to review any and all discovery produced in this Docket.

**THEREFORE, THE COMMISSION ORDERS:**

A. The provisions of the Protective and Discovery Order issued on March 9, 2021, shall govern the treatment and handling of confidential information in this Docket. Staff is directed to share any information and data obtained through discovery with the AG.

**BY THE COMMISSION IT IS SO ORDERED.**

French, Chairperson; Keen, Commissioner; Duffy, Commissioner

Dated: 06/03/2021



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Lynn M. Retz  
Executive Director

BGF

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<sup>7</sup> Petition to Intervene and Motion for Protective Order and Discovery Order, Mar. 1, 2021, ¶ 5.

<sup>8</sup> *Id.*, ¶ 11.

**THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS**

Before Commissioners:                      Andrew J. French, Chairperson  
   Dwight D. Keen  
   Susan K. Duffy

In the Matter of the Investigation into Kansas    )  
Gas Service Company, a Division of One Gas    )  
Inc., Regarding the February 2021 Winter        )       Docket No. 21-KGSG-332-GIG  
Weather Events, as Contemplated by Docket    )  
No. 21-GIMX-303-MIS.                                )

**SUPPLEMENTAL PROTECTIVE AND DISCOVERY ORDER**

This matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and decision. Having reviewed the pleadings and record, the Commission makes the following findings:

1.       On February 14, 2021, Governor Kelly issued a State of Disaster Emergency due to wind chill warnings and stress on utility and natural gas providers, noting that the current sub-zero temperatures were causing increased energy demand and natural gas supply constraints throughout Kansas, and utilities were currently experiencing wholesale natural gas price increase from 10 to 100 times higher than normal (the 2021 Winter Weather Event or Winter Storm Uri). Those costs may eventually flow through to consumers through increases in monthly natural gas and electric bills. Additionally, Kansas utilities are facing potential reliability issues related to the prolonged arctic temperatures.

2.       K.S.A. 77-536(a) provides State agencies with the authority to act when there is “an immediate danger to the public health, safety or welfare requiring immediate state agency action.” On February 15, 2021, pursuant to K.S.A. 77-536(a), the Commission issued an Emergency Order directing all jurisdictional natural gas and electric utilities to coordinate efforts and take all reasonably feasible, lawful, and appropriate actions to ensure adequate transportation

of natural gas and electricity to interconnected, non-jurisdictional Kansas utilities.<sup>1</sup> Jurisdictional natural gas and electric utilities were ordered to do everything necessary to ensure natural gas and electricity service continued to be provided to their customers in Kansas.<sup>2</sup>

3. The Commission's Emergency Order in Docket No. 21-GIMX-303-MIS (21-303 Docket) also authorized every jurisdictional electric and natural gas distribution utility that incurs extraordinary costs associated with ensuring that their customers or the customers of interconnected Kansas utilities that are non-jurisdictional to the Commission continue to receive utility service during this unprecedented cold weather event to defer those costs to a regulatory asset account.<sup>3</sup> All deferred costs shall be segregated by detailed cost category and shall contain enough detail for the Commission to perform a subsequent review for prudence and reasonableness.<sup>4</sup> This deferral is for accounting purposes only.<sup>5</sup>

4. The Commission's Emergency Order also directed each jurisdictional utility to file a compliance report in this Docket detailing the extent of such costs incurred, and present a plan to minimize the financial impacts of this event on ratepayers over a reasonable timeframe, once Winter Storm Uri ends.<sup>6</sup>

5. On March 1, 2021, the Citizens' Utility Ratepayer Board (CURB) filed its Petition to Intervene and Motion for Protective Order and Discovery Order in the 21-303 Docket, explaining the rates charged to and services received by residential and small commercial ratepayers, whose interests CURB represents, may be substantially affected by the Commission's

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<sup>1</sup> Emergency Order, Feb. 15, 2021, ¶ 3.

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*, ¶ 4.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

<sup>6</sup> *Id.*, ¶ 5.

Emergency Order.<sup>7</sup> CURB also sought a protective and discovery order to handle confidential information.<sup>8</sup>

6. On March 9, 2021, the Commission issued Order Adopting Staff's Report and Recommendation to Open Company-Specific Investigations; Order on Petitions to Intervene of Bluemark Energy, LLC and CURB; Protective and Discovery Order. Subsequently, the Commission learned that the Office of the Kansas Attorney General (AG), among other entities, is also investigating Winter Storm Uri. To assist the AG in performing its duties under K.S.A. 75-702 and K.S.A. 75-708, the Commission is revising its Protective and Discovery Order to allow the AG to review any and all discovery produced in this Docket.

**THEREFORE, THE COMMISSION ORDERS:**

A. The provisions of the Protective and Discovery Order issued on March 9, 2021, shall govern the treatment and handling of confidential information in this Docket. Staff is directed to share any information and data obtained through discovery with the AG.

**BY THE COMMISSION IT IS SO ORDERED.**

French, Chairperson; Keen, Commissioner; Duffy, Commissioner

Dated: 06/10/2021



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Lynn M. Retz  
Executive Director

BGF

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<sup>7</sup> Petition to Intervene and Motion for Protective Order and Discovery Order, Mar. 1, 2021, ¶ 5.

<sup>8</sup> *Id.*, ¶ 11.

# STATE OF KANSAS

CAPITOL BUILDING, ROOM 241 SOUTH  
TOPEKA, KS 66612



PHONE: (785) 296-3232  
GOVERNOR.KANSAS.GOV

GOVERNOR LAURA KELLY

February 19, 2021

The Honorable Richard Glick  
Chairman  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, D.C. 20426

Re: Protecting Customers from the Adverse Public Health and Economic Consequences of the February 2021 Extreme-Weather Event

Dear Chairman Glick:

We write on behalf of the residents and businesses of Kansas to urge the Federal Energy Regulatory Commission (FERC) to take all necessary and possible steps to investigate the cause(s) of the system failures during this month's extreme-weather event. We offer to assist FERC in any way that will help ensure that similar adverse public health and economic impacts never occur again.

It is imperative that an adequate, affordable supply of natural gas and electricity be available to meet the needs of Kansas customers, including interconnected non-jurisdictional utilities. We appreciate your leadership in announcing a joint inquiry with the North American Electric Reliability Corporation (NERC) to investigate the impacts of severe winter weather on grid operations. We were also heartened to hear your February 18, 2021 comments about the seriousness with which you will undertake FERC's obligation to protect bulk power system reliability. However, we believe more must be done.

From an operational standpoint, we respectfully ask FERC to examine the circumstances that reduced the supply of natural gas and compromised pressures on interstate pipelines. We also ask FERC to protect Kansans from the severe economic consequences of this event. FERC should exercise its authority under Sections 4A and 23 of the Natural Gas Act and take all actions within its power to protect consumers and ensure the integrity of natural gas price indices. In addition, we ask FERC to investigate the rates and penalties assessed by interstate transportation providers during this event.

FERC should also exercise its authority under Section 222 of the Federal Power Act to ensure that the integrity of FERC-regulated power markets was not compromised. Further, we ask that FERC work with NERC to investigate whether additional reliability mechanisms are needed to respond to similar events like this in the future. FERC should conduct these investigations expeditiously and thoroughly. It should also ensure that these investigations produce actionable results.


Finally, we ask that you bring FERC's full weight and influence to bear in supporting any legislative proposals that would provide retroactive financial relief to utilities and the communities and individual ratepayers they serve.

ATTACHMENT C

Letter to Chairman Richard Glick  
Federal Energy Regulatory Commission  
February 19, 2021  
Page 2 of 2.

Thank you for your attention to these critical matters. We look forward to working with you as you lead FERC's response and offer to assist in any way we can.

Respectfully,



The Honorable Laura Kelly  
*Governor of the State of Kansas*



Andrew J. French  
*Chairperson of the State Corporation Commission of the State of Kansas*



Dwight D. Keen  
*Commissioner of the State Corporation Commission of the State of Kansas*



Susan K. Duffy  
*Commissioner of the State Corporation Commission of the State of Kansas*

Cc: Senator Jerry Moran  
Senator Roger Marshall  
Representative Ron Estes  
Representative Tracey Mann  
Representative Jacob LaTurner  
Representative Sharice Davids

February 23, 2021

**The Honorable Richard Glick, Chairman**  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, D.C. 20426

Dear Chairman Glick,

For more than a week, Kansas and multiple states across the Great Plains and surrounding region was hit with an arctic blast, with temperatures in Kansas setting new record-lows. The prolonged and widespread cold put outsized pressure on our nation's natural gas supply. On February 8, natural gas traded for \$3 MMBTus. On the 17th, that number ranged between \$129 and \$622 MMBTus. That put costs at more than 2000% to 20,000% their normal levels. Natural gas makes up more than a third of Kansas's energy portfolio, making it a primary source of energy for many Kansas homes and businesses.

Kansas Governor Laura Kelly issued a state disaster declaration and the Kansas Corporation Commission (KCC) issued an emergency order directing utilities to do everything possible and necessary to ensure

continued delivery of natural gas, propane and electricity to Kansas customers. Kansas companies had

their power cut and Kansans experienced rolling blackouts.

Governor Kelly, the Chairman of the KCC, and other Commissioners of the KCC have now submitted a request with the goal of protecting customers from the potentially severe economic consequences of this event. In Kansas, we are especially concerned that energy service is reliable and affordable. We are keen to ensure that the integrity of energy markets is never compromised. We ask you to consider her request expeditiously. We also request that you review all relevant circumstances of this situation and take the necessary steps needed to address this crisis, and take timely steps to see that it does not recur.

Thank you for your attention to this matter and timely consideration of Governor Kelly's request. Please call or write our offices should you need additional information, or if we can be of further assistance.

Sincerely,

Roger Marshall, M.D.

United States Senator

Sharice Davids  
U.S. Representative

Cc: Commissioner Chatterjee  
Commissioner Danly  
Commissioner Clements  
Commissioner Christie

###

◀ (<https://www.marshall.> ▶(<https://www.marshall.>

# STATE OF DISASTER EMERGENCY PROCLAMATION

Executive Department  
State of Kansas  
Topeka, Kansas

By the Governor

By virtue of the authority vested in me by the Kansas Emergency Management Act, Chapter 48, Article 9, of the Kansas Statutes Annotated, to meet the inherent dangers of disasters to which the State and its citizens have been exposed, and upon advice of the State Adjutant General as the Director of the Division of Emergency Management, I hereby proclaim a State of Disaster Emergency as follows:

## NATURE OF THE DISASTER:

Low temperatures with sub-zero wind chills over the past several days accompanied by snow, sleet, and freezing rain across the state have caused stress on the energy infrastructure. Power outages and critical energy supply shortages are anticipated over the next few days. Communities are feeling the impacts with water main breaks, the need for warming stations, and seeing an increase in the demand for natural gas and electricity.

## DATE THAT DISASTER AFFECTED THE AREA:

February 14, 2021 and continuing

## AREA AFFECTED BY THE DISASTER:

All Kansas counties and Federally Recognized Indian Tribes in Kansas

I hereby proclaim, direct, and order the Adjutant General of the State of Kansas to activate the disaster response and recovery portions of the Kansas Response Plan and to utilize all available resources of the state to cope with the disaster as necessary. The Adjutant General shall coordinate local and inter-jurisdictional disaster plans applicable to the political subdivisions of areas affected by this Proclamation.

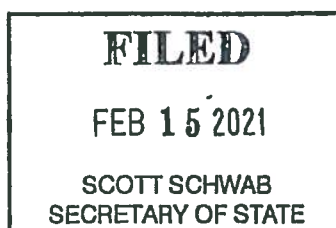
Any or all of the powers conferred upon the Governor by the Kansas Emergency Management Act may be delegated to the Adjutant General as deemed appropriate during this period of proclaimed State of Disaster Emergency. This may be delegated by written orders or oral orders subsequently reduced to writing with reference to this Proclamation.

I hereby suspend the provisions of any regulatory statute prescribing the procedures for conduct of state business, or the order or rules and regulations of any state agency which implements such statute, if strict compliance with the provisions of such statutes, order or rule and regulation would prevent, hinder, or delay in any way necessary action in coping with the disaster as set forth in KSA 48-925(c)(1).




I hereby direct state agencies to implement necessary continuity activities to ensure the delivery of essential functions that include continuity of operations (COOP) planning with pandemic considerations applied.

This Proclamation shall be filed promptly with the Division of Emergency Management, the Office of the Secretary of State and each city clerk or county clerk, as appropriate, in the area to which this Proclamation applies. Further dissemination of this Proclamation shall occur by means calculated to bring its contents to the attention of the general public.

DONE At the Capitol in Topeka  
Under the Great Seal of the State  
this 14th, day of February  
A.D., 2021



BY THE GOVERNOR

  
\_\_\_\_\_  
  
\_\_\_\_\_  
Secretary of State  
  
\_\_\_\_\_  
Assistant Secretary of State

ATTACHMENT E

**AFFIDAVIT**

STATE OF KANSAS            )  
                                      ) ss.  
COUNTY OF SALINE        )

I, Mary Landes, being first duly sworn, state as follows:

1. I am the Executive Director of "The Temple," (the historic Salina Masonic Temple Building), a building that was constructed in 1927 and which is designated on the National Register of Historic Places.
2. The Temple is owned and operated by the Salina Innovation Foundation, a not-for-profit entity.
3. The Salina Innovation Foundation operates the building as a community resource center, and the building has approximately 21 start-up businesses that are located therein.
4. The contract use of natural gas for The Temple is 624 MMBtu per month in February, 2021 – 22.28 MMBtu per day.
5. In addition to only having half of our radiators working, The Temple took every action reasonably possible during February 2021 to reduce natural gas usage, including on February 10, 2021, turning the boiler down to its lowest setting, and operating electric space heaters to keep water pipes from freezing throughout the building. On February 23, 2021, The Temple turned off the boiler and simply operated electric space heaters throughout the building. As a result of our circumstances and actions to conserve, The Temple was icing over. The Temple had ice accumulating in the windows and toilets in the building.
6. Through these extreme conservation measures, Salina Innovation Foundation was able to conserve and reduce the amount of natural gas that was used during February 2021, from

the monthly contract level of 624 MMBtu, to a usage level in February 2021, of 493 MMBtu. These conservation measures allowed Salina Innovation Foundation to reduce natural gas usage in February 2021 by 20% from the contract level.

7. Salina Innovation Foundation does not have an EFM meter, and therefor Kansas Gas Service assigns to Salina Innovation Foundation a required daily quantity (RDQ) for each day in which an operational flow order or other emergency order is in effect.

8. The RDQ assigned for Salina Innovation Foundation at The Temple was 24.74 MMBtu per day. Therefore, during the period February 11 through February 23, 2021, the marketer of natural gas to Salina Innovation Foundation - - BlueMark Energy - - allegedly purchased each day and delivered to Kansas Gas Service (KGS) on behalf of the Salina Innovation Foundation, the amount of 24.74 MMBtu per day.


9. As noted in the attached invoice (Attachment A), due to the high price of natural gas during the period of the described KGS orders, BlueMark charged Salina Innovation Foundation the amount of \$37,641.80. These RDQ required daily purchases during the period of the described orders increased the invoice of Salina Innovation Foundation from a level of \$1,510.99, to a level of \$42,578.66. Importantly, absent the described RDQ, the price per unit of natural gas to Salina Innovation Foundation would have been \$2.94 per unit.

10. The operation of the KGS tariff provision with regard to the RDQ, rendered meaningless the extensive conservation measures that the Salina Innovation Foundation put in place during February 2021.

FURTHER AFFIANT SAITH NAUGHT.

  
\_\_\_\_\_  
Mary Landes  
Executive Director, The Temple

SUBSCRIBED AND SWORN to before me this 25 day of June, 2021.

  
Notary Public

My Appointment Expires:



**BlueMark Energy, LLC**

4200 East Skelly Drive, Suite 300  
Tulsa, OK 74135  
(918) 238-2001  
www.BlueMarkEnergy.com

**Salina Innovation Foundation**

336 S Santa Fe Ave  
Salina, KS 67401  
Attn: Katie Jester  
Email:invoice@salinainnovation.com

Billing Account # :	1-2450
Invoice #:	1-2450-12-20212
Total Amount Due:	\$42,578.66
Payment Terms:	Net 10

Thank you for allowing BlueMark Energy, LLC to serve your energy needs. We Appreciate your business.

**Data contained herein is subject to pipeline and utility true-up.**

Service Period	Pipeline	Charge Description	Quantity	Price	Amount
<b>Salina Innovation: Salina Innovation</b>					
<b>Salina, KS County: Salina</b>					
2/1/2021 - 2/28/2021	KGS Mainline	Usage at first of Month	624	\$2.94000	\$1,834.56
2/1/2021 - 2/28/2021	KGS Mainline	Short Usage	-131	\$2.47000	(\$323.57)
			<b>493</b>		<b>\$1,510.99</b>
2/1/2021 - 2/28/2021	KGS Mainline	Kansas State Tax		\$0.06500	\$2,544.93
2/1/2021 - 2/28/2021	KGS Mainline	Salina, KS City Tax		\$0.01250	\$489.41
2/1/2021 - 2/28/2021	KGS Mainline	Saline County, KS		\$0.01000	\$391.53
2/1/2021 - 2/28/2021	KGS Mainline	KGS RDQ Requirement - Salina Innovations		\$37,641.80000	\$37,641.80
					<b>\$41,067.67</b>
		<b>Total for Point: Salina Innovation</b>			<b>\$42,578.66</b>
		<i>- A fuel rate of 0.05 % was used for this service period and point.</i>			
		<b>Total for Pipeline: KGS Mainline</b>	<b>493</b>		<b>\$42,578.66</b>
		<b>Total Invoice Amount:</b>			<b>\$42,578.66</b>

Remit To	Wire Transfer	Invoice #:	1-2450-12-20212
BlueMark Energy, LLC 4200 East Skelly Drive, Suite 300 Tulsa, OK 74135	Mabrey Bank, Bixby, OK ABA: 103112112 Account: 2333615	Billing Account # :	1-2450
		Date Mailed:	3/15/2021
		Date Due:	3/25/2021
		Total Amount Due:	\$42,578.66

**THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS**

Before Commissioners:                      Andrew J. French, Chairperson  
   Dwight D. Keen  
   Susan K. Duffy

In the Matter of Record Natural Gas Prices and                      )  
Potential System Reliability Issues from                      ) Docket No. 21-GIMX-303-MIS  
Unprecedented and Sustained Cold Weather.                      )

**EMERGENCY ORDER**

This matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and decision. Having reviewed the pleadings and record, the Commission makes the following findings:

1.        On February 14, 2021, Governor Kelly issued an State of Disaster Emergency due to wind chill warnings and stress on utility and natural gas providers, noting that the current sub-zero temperatures are causing increased energy demand and natural gas supply constraints throughout Kansas, and utilities are currently experiencing wholesale natural gas price increase from 10 to 100 times higher than normal (the “2021 Winter Weather Event”). Those costs will eventually flow through to consumers through increases in monthly natural gas and electric bills. Additionally, Kansas utilities are facing potential reliability issues related to the prolonged arctic temperatures. Therefore, under these circumstances, the Commission, pursuant to K.S.A. 77-536(a), will exercise its powers to protect the public from immediate danger to health, safety, and welfare.

2.        In the public interest, the Commission has jurisdiction to regulate and oversee certain facets of service provided by natural gas public utilities and electric utilities operating in

the State, and is empowered to do certain things necessary and convenient to exercise its authority.<sup>1</sup>

3. K.S.A. 77-536(a) provides State agencies with the authority to act when there is “an immediate danger to the public health, safety or welfare requiring immediate state agency action.” Pursuant to K.S.A. 77-536(a), the Commission directs all jurisdictional natural gas and electric utilities to coordinate efforts and take all reasonably feasible, lawful, and appropriate actions to ensure adequate transportation of natural gas and electricity to interconnected, non-jurisdictional Kansas utilities. Jurisdictional natural gas and electric utilities are ordered to do everything necessary to ensure natural gas and electricity service continues to be provided to their customers in Kansas.

4. The Commission authorizes every jurisdictional electric and natural gas distribution utility that incurs extraordinary costs associated with ensuring that their customers or the customers of interconnected Kansas utilities that are non-jurisdictional to the Commission continue to receive utility service during this unprecedented cold weather event to defer those costs to a regulatory asset account. Such costs include but are not limited to the cost of procuring and transporting natural gas supplies for jurisdictional utility customers, costs associated with jurisdictional utilities coordinating and assisting non-jurisdictional utilities with the transportation of gas supplies<sup>2</sup>, and any other reasonable costs necessary to ensure stability and reliability of natural gas and electricity service. These deferred costs may also include carrying costs at the utility’s weighted average cost of capital. All deferred costs shall be segregated by detailed cost category and shall contain enough detail for the Commission to perform a subsequent review for prudence and reasonableness. This deferral is for accounting

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<sup>1</sup> K.S.A. 66-1,201; K.S.A. 66-101.

<sup>2</sup> Nothing in this section is intended to require a jurisdictional utility to procure natural gas supplies for non-jurisdictional utilities.

purposes only. Any decisions related to ratepayer recovery will be addressed in future proceedings.

5. Each utility bears the burden of proof that the costs described in paragraph 4: (1) would not have been incurred but for the 2021 Winter Weather Event, and (2) are just, reasonable, and necessary to provide utility services during this extraordinary event. Once this 2021 Winter Weather Event is over, and after all costs have been accumulated and recorded, each jurisdictional utility is directed to file a compliance report in this Docket detailing the extent of such costs incurred, and present a plan to minimize the financial impacts of this event on ratepayers over a reasonable time frame.

**THEREFORE, THE COMMISSION ORDERS:**

A. All jurisdictional natural gas and electric utilities are directed to coordinate efforts and take all reasonably feasible, lawful, and appropriate actions to ensure adequate delivery of natural gas and electricity to interconnected, non-jurisdictional utilities in Kansas.

B. Jurisdictional natural gas and electric utilities are ordered to do all things possible and necessary to ensure natural gas and electricity utility services continue to be provided to their customers in the State.

C. Every electric and natural gas distribution utility that incurs extraordinary costs associated with ensuring its customers or the customers of interconnected Kansas utilities that are non-jurisdictional to the Commission continue to receive utility service during this unprecedented cold weather event is authorized to defer those costs to a regulatory asset account.

**BY THE COMMISSION IT IS SO ORDERED.**

French, Chairperson; Keen, Commissioner; Duffy, Commissioner

Dated: 02/15/2021



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Lynn M. Retz  
Executive Director

BGF



## News Release

For more information contact: Linda Berry, KCC Director of Public Affairs (785) 271-3269

February 15, 2021

### **KCC issues emergency order to ensure adequate natural gas and electricity is available**

**TOPEKA** - In a special meeting this morning, Commissioners issued an emergency order directing utilities under its jurisdiction to do all things possible and necessary to ensure adequate amounts of natural gas and electricity to meet the needs of Kansas customers including interconnected non-jurisdictional utilities that depend on them for power.

The prolonged stretch of extremely cold temperatures has increased demand, created natural gas supply constraints, and potentially reliability issues.

"It's in every Kansan's best interest to conserve electricity and natural gas over the next few days when possible," said KCC Chairperson Andrew French. "Reducing your usage will help ensure everyone continues to receive these services, and it will save you money on future utility bills."

Utilities are experiencing wholesale gas prices anywhere from 10 to 200 times higher than normal. Those costs will eventually impact customers through increases in monthly natural gas and electric bills.

Today's order also authorizes every jurisdictional electric and natural gas distribution utility that incurs extraordinary costs associated with ensuring its customers continue to receive utility service during this cold weather event to defer those costs to a regulatory asset account for future review by the Commission. This deferral is for accounting purposes only. Any decisions related to ratepayer recovery will be addressed in future proceedings.

Today's order can be viewed at: <http://estar.kcc.ks.gov/estar/ViewFile.aspx?Id=20da2a43-e05a-4255-aea4-deb442fcb6fb>

A recording of the Special Business Meeting featuring additional details from KCC Utility staff is available on the KCC YouTube channel: [https://www.youtube.com/watch?v=b\\_jyOcfv6o](https://www.youtube.com/watch?v=b_jyOcfv6o)

Conservation tips can be found on the KCC website home page: <https://kcc.ks.gov/>

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BEFORE THE PUBLIC SERVICE COMMISSION

STATE OF MISSOURI

TRANSCRIPT OF PROCEEDINGS

Workshop

March 23, 2021

Jefferson City, Missouri

WebEx

Volume 1

In the Matter of the Cause       )  
of the February 2021 Cold       ) File No. AO-2021-0264  
Weather Event and its Impact    )  
on Investor Owned Utilities      )

RON PRIDGIN, Presiding  
REGULATORY LAW JUDGE

RYAN A. SILVEY, Chairman  
WILLIAM P. KENNEY  
JASON R. HOLSMAN  
SCOTT T. RUPP,  
COMMISSIONERS

REPORTED BY:  
Beverly Jean Bentch, CCR No. 640  
TIGER COURT REPORTING, LLC

I N D E X

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Presentation by Summit Natural Gas of Missouri, Inc.	51

1 presentation. Where is that complaint filed and is  
2 there a docket number? What exactly is that situation?

3 MR. APLINGTON: So we filed two complaints  
4 with S&P Global Platts. That's the organization that  
5 publishes Platts Gap Daily that sets the index prices at  
6 various points from pipelines. So they have it's an  
7 internal complaint process where we submitted complaints  
8 to them for days that we thought that their price index  
9 should have been (muffled audio) altogether. They have  
10 worked with those complaints. We've discussed them with  
11 them. So far we have not gotten (muffled audio) in  
12 terms of (muffled audio) market prices but there are  
13 additional steps we can take with their complaint  
14 process and we intend to do so.

15 CHAIRMAN SILVEY: Okay. Thank you very much.  
16 Again, thank you for the presentation. Thank you,  
17 Judge.

18 JUDGE PRIDGIN: Thank you. To make sure I  
19 don't overlook anyone, I'll do a roll call to see if we  
20 have any other bench questions. Commissioner Kenney,  
21 any questions? Hearing nothing. Commissioner Rupp, any  
22 questions?

23 COMMISSIONER RUPP: No questions, but I do  
24 appreciate the presentation and I appreciate Spire's  
25 standpoint that this is not a once in a lifetime event;